

Pension TIME

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NEWSLETTER FOR DEFINED BENEFIT
MEMBERS OF THE **COMPASS GROUP**
PENSION PLAN

Future Plan security

The latest update following the buy-in with Standard Life. **Page 6**

Pension scams




The Pension Scams Action Group checklist to protect yourself. **Page 8**

Actuarial update 2025

The funding position is 113%. **Page 9**

The headlines

If you're short on time and just want the headlines, then here's what you need to know:

<div>MyPension</div> <div><div>9,811</div><div>members registered on MyPension</div><div></div></div>	<div>Midlife MOT</div> <div><div><div>DWP offers a Midlife MOT to help you prepare for later life</div><div></div></div></div>	<div>Ensuring future security</div> <div><div><div>An update following the purchase of the buy-in policy with Standard Life.</div><div></div></div></div>	<div>Actuarial update</div> <div><div><div>5 April 2025</div><div>113% funded</div><div>Funding position remains stable</div></div></div>	<div>Plan statistics</div> <div><div><div>assets</div><div>DB Section: £1,727m</div><div>CRISP Section: £193m</div></div></div>
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Welcome back

This year's edition of Pension Time includes the usual funding and investment updates, as well as topical pensions and Plan news.

In the 2025 Budget, the Chancellor announced that from 2029, only the first £2,000 of pension savings each year will benefit from National Insurance savings if paid through salary sacrifice. You may need to bear this in mind if you are an active member of the CRISP Section or contributing to another pension through salary sacrifice.

At the end of the last year, we announced the Trustees had purchased an insurance policy with Standard Life to ensure the future security of members' benefits under the Plan.

You can read about how this has shaped the Trustees' investment strategy on **page 14**. In the next phase of this process, the Trustees and Standard Life are carrying out some further checks to

ensure members' details and benefit entitlements are correct. You can read more on **page 6**.

There has been a change to the Trustee Board this year. At the end of May, James King resigned from his role as Company Nominated Trustee Director and we're pleased to announce that Jenny Haines is the new Company Nominated Trustee Director. We thank James for his dedicated service to the Plan and wish him the best for the future.

We hope you enjoy reading Pension Time.

Dear member

Pension Time is our opportunity to update you on what has happened in the Defined Benefit (DB) Section of the Plan over 2025.

We welcome any feedback or questions you have, just email pensions@compass-group.co.uk. You can also contact our Plan administrator, XPS Group, using the details below.

XPS Group

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Middlesbrough
TS1 9JA

01245 673502

compassadminteam@xpsgroup.com

MyPension at your fingertips

MyPension is the secure member portal for Plan members.

With MyPension you can:

- Update your personal details
- Download important documents
- Update your Expression of Wish beneficiary nomination details

If you're receiving your pension, you can also:

- View payslips and P60s
- Ask to change your bank account

The benefits of going paperless

By registering on MyPension you will have your Plan information available at the click of a button online.

You will automatically receive our communications by email instead of by post, so there's less chance of letters getting missed in the mail. However, there may still be some instances where we'll need to send you information in the post.

Have you reviewed your beneficiary nominations recently?

It's really important to review and update your beneficiary nominations, especially if your circumstances change or if it's been a while since you confirmed your wishes. This is because a lump sum benefit may be payable from the Plan if you die. Whilst it's not legally binding, the Trustees will take account of your wishes when deciding who to pay it to. Log in at www.mypension.com/compass to review and update your nominations.



Registered **active** **13**



Registered **deferred** **4,506**



Registered **pensioner** **5,292**

Inheritance tax (IHT) changes

Currently, most unused pension funds are excluded from a person's estate for IHT purposes. The Government is proposing that, from April 2027, unused pension funds on death will be included in a person's taxable estate, which means they could be subject to IHT. The member's Personal Representatives (PRs) will be responsible for reporting and paying any IHT. The Plan administrator will provide the necessary information to the PR and beneficiaries.

9,811
total
registrations
(34% of the
membership)



Midlife MOT

The Department for Work and Pensions (DWP) offers a 'Midlife MOT' to help you assess your financial, health and career situation in preparation for later life. It's a free review aimed at people aged between 45 and 65, but anyone can use it.

Key features of the Midlife MOT are:

1. Financial planning

Helps review your pensions, savings and any debt. Explains the financial support that may be available from the Government, and promotes tools such as the Pension Tracing Service, which can help you track down any lost pensions.

2. Health and wellbeing

Highlights the importance of maintaining good physical and mental health, and the support and resources available. Offers advice on healthy living, staying active and stress management.

3. Work and skills

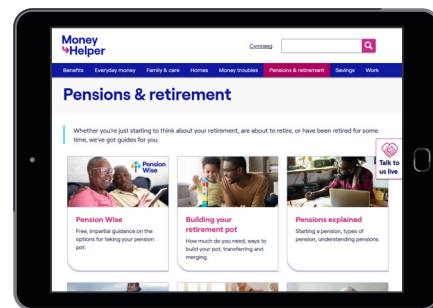
Supports with making goals and gaining skills to stay competitive in the job market. Provides guidance on flexible working options and planning for a phased move to life after work.

The Midlife MOT allows you to reflect and plan, and be better prepared for the challenges and opportunities of later life: www.jobhelp.campaign.gov.uk/midlifemot

MoneyHelper

www.moneyhelper.org.uk/pensions-and-retirement

MoneyHelper is a free service provided by the Government, including lots of information and guidance about your finances, including pensions.



Plan news



Latest updates

This is our opportunity to keep you up-to-date with the latest Plan news that could affect you.

An update on the Plan's buy-in

Following the Trustees' purchase of a buy-in insurance policy on 5 December 2024 to secure the majority of the Plan's benefits, the next stage of this project is a two year 'true-up' period. The Trustees and Standard Life are in the process of carrying out checks to ensure members' details and benefit entitlements are correct and this process typically takes up to 24 months. Once this exercise has been completed, the Trustees will issue a benefit confirmation letter to those members whose benefits are included in the buy-in insurance policy. Members will be given an opportunity to respond to make any changes.

Changes to minimum pension age

From April 2028, the earliest you will be able to take your benefits from the Plan will be age 57, with the Trustees' consent (at present, you can take your benefits from age 55). The exception to this will be in the case of very serious ill-health. Those Plan members with an existing right to draw benefits from age 50 or 55 will not be affected by this change.

The minimum pension age will then remain at ten years below State Pension Age. If you're in your 50s and considering taking your benefits soon, please bear in mind these changes when planning your retirement.

GMP equalisation update

Following the High Court judgements in 2018 and 2020 regarding the equalisation of benefits for members who built up a Guaranteed Minimum Pension (**GMP**) between 17 May 1990 and 5 April 1997, the Trustees have been working with our advisers to determine which members are affected and how to update their benefits.

The project is making good progress, and we anticipate the calculations will be completed during the last quarter of 2026. We'll then write to affected members in the first quarter of 2027 to share the outcome.

This timescale reflects the complex nature of the project.



Reminder of tax-free benefit allowances

From 6 April 2024, the Government introduced new limits on the tax-free pension benefits members can take.

Lump Sum Allowance

Members are generally able to take up to 25% of their benefits as a tax-free cash lump sum, up to a limit of **£268,275**.

Lump Sum and Death Benefit Allowance

A limit of **£1,073,100** on the total value of tax-free benefits that can be paid to or in respect of a member. This includes:

- The tax-free cash covered within the Lump Sum Allowance
- Serious Ill Health Lump Sums
- Lump Sum Death Benefits that are not taxable

Overseas Transfer Allowance

Members can transfer up to **£1,073,100** to a Qualifying Recognised Overseas Pension Scheme (QROPS) before needing to pay a tax charge. This is in addition to the other two allowances.

Pensions dashboards

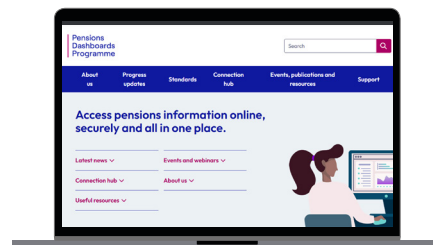
Many of us have different pension accounts with different providers. If you have pensions you're not yet being paid, you will soon be able to access pensions dashboards online. This will allow you to see all your pensions in one place, estimate your retirement income, and find any lost pots. You'll also be able to view your State Pension.

By 31 October 2026, all schemes with over 100 active and deferred members must connect to dashboards.

However, savers will need to wait a little beyond schemes' connection deadlines to see their data - the earliest possible public access is likely to be spring 2027, but this is not yet confirmed.

Pensions dashboards have the potential to boost financial wellbeing, and become a vital part of your planning for life after work, alongside other online personal finance tools.

For more information you can go to www.pensionsdashboardsprogramme.org.uk



Beware of pension scams

Sadly, pension scams are an ever-present danger. They have become harder to spot, and people have lost their entire life savings in an instant.

Scams using artificial intelligence (AI) and deepfake technology are becoming increasingly common. This is where criminals impersonate trusted individuals or organisations to deceive victims into sending money or revealing sensitive information. The pensions industry has a critical role to play in the prevention of scams. The Pension Scams Action Group is made up of law enforcement, Government and industry representatives working together against pension fraud. It has created a checklist to use if you're ever approached about your pension:

1. Is the offer unexpected?

If you get a call out of the blue about your pension, it is likely to be a scam. Be wary when offered high return, low-risk investments, or free pension review offers

2. Have you checked who you're dealing with?

The Financial Conduct Authority (**FCA**) has a website you can check to make sure that any adviser you are working with is properly authorised: <https://register.fca.org.uk>

3. Are you being rushed or pressured?

Pressure to act quickly is a common sign of a scam. Take your time, and check everything thoroughly before you make any decisions

4. Should you seek advice or guidance?

It's a good idea to get advice before making a transfer, with an adviser that's regulated by the FCA. You can get help to find one on the Government's MoneyHelper website, by searching **Choosing a financial adviser**: www.moneyhelper.org.uk

Find out more about how to spot and avoid scams: <https://stopthinkfraud.campaign.gov.uk>

Actuarial update 2025

Each year we provide you with a Summary Funding Statement to let you know about the financial security of the Plan's Defined Benefit (DB) Section.

This statement provides details of the formal three-yearly Actuarial Valuation, which took place as at 5 April 2025, along with the previous formal Valuation at 5 April 2022 and the annual update at 5 April 2024.

The purpose of the Actuarial Valuation is for us to work out:

- The expected cost of providing all benefits built up by members at the valuation date (the Plan's **liabilities**) and compare this against the money held by the Plan to pay for these benefits (the Plan's **assets**).
- A plan for making up any shortfall if the Plan has fewer assets than liabilities.

- The contributions needed to cover the cost of the benefits that active members will build up in the future, and other costs of running the Plan.

What are the Plan's liabilities?

There are active, deferred and retired members that the Plan must pay benefits to, both now and in the future.

- **Active** members will continue to earn benefits in the Plan each year, linked to Pensionable Pay.
- **Deferred** members have stopped building up benefits in the Plan. The benefits they earned will be payable when they retire.
- **Retired** members receive a pension from the Plan.

Plan security

To check the Plan's financial security, we compare the value of its liabilities to its assets.

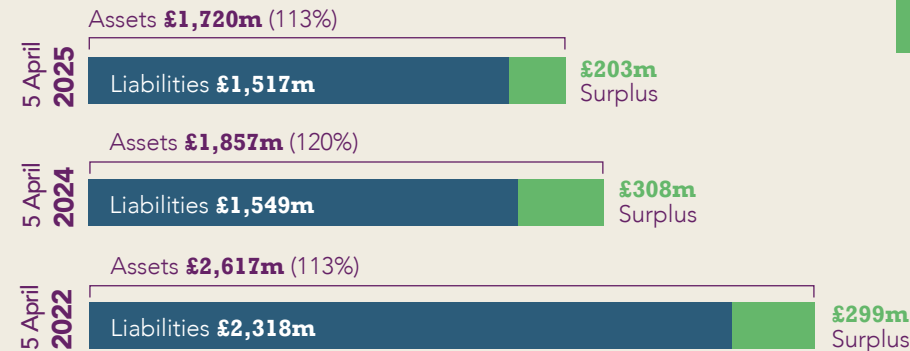
A funding level of more than 100% means the Plan has more assets than liabilities. As a result of the 2024 buy-in:

The **liabilities** are now based on the value of the buy-in policy, plus other expected liabilities and expenses for the Plan.

The **assets** are based on the value of the buy-in policy and the remaining invested Plan assets. This is the amount of money the Plan holds to pay for the benefits for all members when they're due. The assets are held and invested in pooled investments, not in separate funds for each member.

We now have the results of the formal Actuarial Valuation in 2025, which we can compare to the previous formal Valuation in 2022, and the yearly update in 2024.

At 5 April 2025, the Plan had a surplus of **£203m** and a funding level of **113%**.
At 5 April 2022, the Plan had a surplus of **£299m** and a funding level of **113%**.



Since 5 April 2022, you can see the funding level improved in 2024 by 7%, before dropping back to 113% in 2025.

Why has the position changed?

In December 2024, the Trustees took advantage of the improved funding level of 120% to enhance benefit security for members by purchasing the buy-in insurance policy with Standard Life. As a result of the buy-in, the Plan’s assets and liabilities for the 2025

Valuation are measured differently from the 2022 Valuation.
This, combined with the use of some of the surplus towards employer contributions into the CRISP Section and Plan expenses, has resulted in the funding level reducing back to 113% (consistent with the level at 2022).

How much money does the Plan need?

Our goal is for the Plan to be 100% funded on an **ongoing** basis (shown to the left), which assumes that the Plan continues to run as it is. This would mean that the Plan is able to meet the expected costs of paying every member their benefits when they’re due. However, it doesn’t have to meet all those costs in one go, so being less than 100% funded shouldn’t be an issue.
Following each Actuarial Valuation, the Actuary tells us how much should be paid into the Plan. We then agree a contribution level with the Company and record it in the **Schedule of Contributions**.



Is my pension guaranteed?

Our aim is for there to be enough money in the Plan to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Plan when needed.

If the Company goes out of business or decides to stop paying contributions, the Plan may be wound-up. Whilst this isn't likely, if it happened the Plan would need to pay an insurance company to take responsibility for paying all the Plan benefits.

Is the Plan going to be wound-up?

The previous page shows the Valuation results on an **ongoing** basis. The **solvency** position provides more information on the financial security of your benefits if the Plan were to be wound-up.

This is information we need to tell you, but it does not mean that there are plans to wind-up the Plan anytime soon.

Is there enough money in the Plan if it's wound-up?

The comparison of the Plan's assets to the cost of buying the benefits from an insurance company is known as the **solvency** basis. Whilst the Plan is in surplus on an **ongoing** basis it doesn't necessarily mean this will be the case on a **solvency** basis, as it is generally a more expensive way to provide benefits.

This is because an insurance company would:

- Charge a fee to run the Plan
- Take a cautious approach to estimating the cost of paying for the benefits
- Add a profit margin

If the Plan had been wound-up on 5 April 2025, the assets could have paid for the full benefits of all members.

The estimated cost of buying the benefits with an insurance company was **£1,517m** compared to assets of **£1,720m**. So on this particular basis there would be a surplus of **£203m** and a funding level of **113%**.

This compares to a surplus of **£61m** and a funding level of **102%** as at the 2022 Valuation, an improvement of **11%** in the funding level.

As a result of the purchase of the buy-in policy with Standard Life in 2024, and updates to the actuarial assumptions used as part of the Valuation, the results on the ongoing and solvency measures are much more aligned.

Protecting your benefits if the Plan is wound-up

If the Company goes out of business and the Plan doesn't have enough money to buy out the benefits, the Pension Protection Fund (**PPF**) may help.

If you want to find out more about the PPF go to www.ppf.co.uk

Climate Disclosures report

The Plan is required to comply with Climate Disclosures reporting and the report for the Plan year ending 5 April 2025 can be found at www.compass-pensions.co.uk/plan_tcf_d_october_2025.pdf

Report and accounts

Here are the highlights from the latest report and accounts as at 5 April 2025.

A full copy of the accounts is available by writing to the Compass Group Pensions Department at the address on **the back page**.

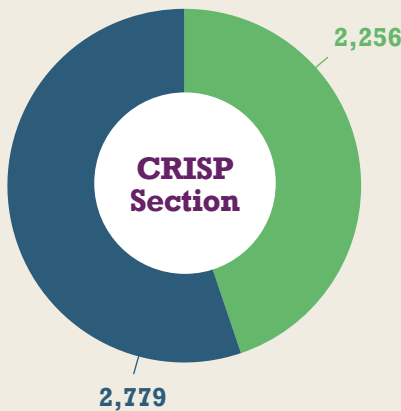
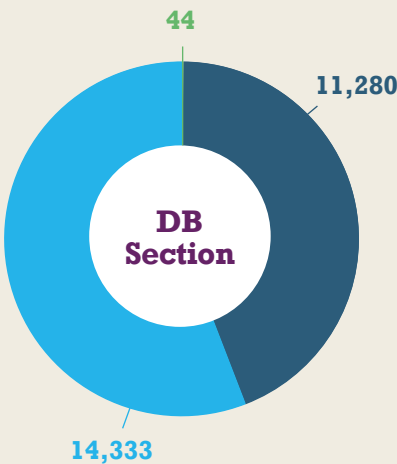
	DB Section (£m)	CRISP Section (£m)
Fund at 5 April 2024	1,866.746	184.257
Investment income	22.660	0.000
Company contributions	1.533	1.634
Member contributions	0.052	2.667
Transfers in	0.000	2.521
Other income	0.069	0.978
Total income	24.314	7.800
Pensions and other benefits	-80.229	-2.269
Individual transfers out and payments to leavers	-0.838	-12.128
Investment management expenses	-0.605	-0.388
Administrative expenses and other payments	-7.479	0.000
Total outgoings	-89.151	-14.785
Change in market value of investments	-59.114	-0.342
Transfers between sections	-15.799	15.799
Fund at 5 April 2025	1,726.996	192.729

Membership

Plan membership at 5 April 2025

	DB Section	CRISP Section
Active	44	2,256
Deferred	11,280	2,779
Pensioner	14,333	0
Total	25,657	5,035

Plus **3,332** Residual Protected Rights members.



Investment update for the DB Section



The latest news on the DB Section's investment strategy.

At the end of 2024, the Trustees purchased an insurance policy with Standard Life to ensure the future security of members' benefits under the Plan. This sort of insurance policy is referred to as a 'buy-in' insurance policy.

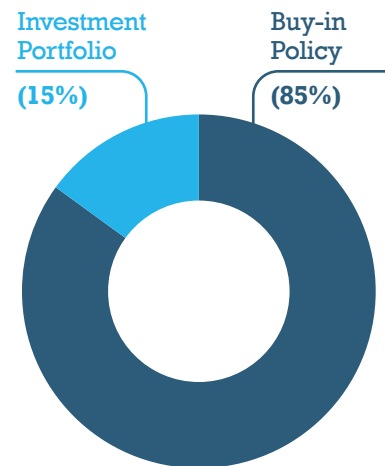
The purchase of the insurance policy enhances the security of members' benefits because the payments made from the Plan are matched by payments made to the Plan from the insurance policy.

Following the buy-in, the Trustees have made some revisions to the Plan's investment strategy. The assets of the Plan are split into the **Buy-in Policy** and the residual assets (the **Investment Portfolio**).

The Buy-in Policy is treated as an asset of the Plan, and matches the liabilities of the members' benefits in the Plan.

Asset allocation

At 5 April 2025 approximately 85% of the Plan's assets were invested in the Buy-in Policy and approximately 15% in the Investment Portfolio. The actual allocation will be dependent on market values and will fluctuate over time.



The Investment Portfolio asset allocation

The Investment Portfolio assets are split into two sections:

Matching assets

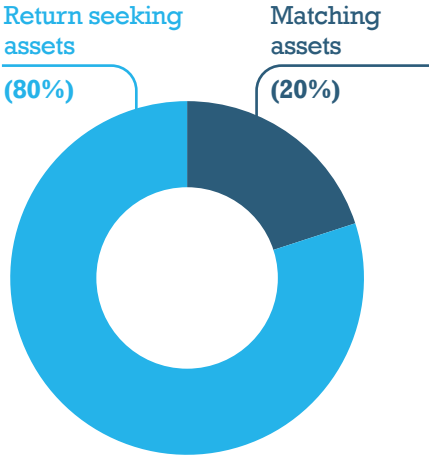
The Matching Portfolio assets, consisting of Cash, Gilts and Index Linked Gilts, are invested to match remaining defined benefit liability risks.

Return seeking assets

The Return Seeking Portfolio assets, consisting of Global Equities, Multi Asset Credit, and Long Lease Property, are invested with a long term growth horizon to meet future expenses, employer contributions (Defined Benefit and Defined Contribution) and residual risks.

As agreed between the Trustees and the Company following the purchase of the buy-in policy.

Investment Portfolio target asset allocation as 5 April 2025



More support



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